



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANY: Delta Apparel, Inc

COUNTRY: El Salvador

ASSESSMENT DATE: 12/05/12

MONITOR: FLA Assessor Team (Americas)

PRODUCTS: Apparel

PROCESSES: Cut, Sew

NUMBER OF WORKERS: 600

ASSESSMENT NUMBER: AA0000000151

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Improving Workers' Lives Worldwide

Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: a de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of the facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Employment functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- *Immediate action required:* discoveries or findings at the workplace that need immediate action because they not only

constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

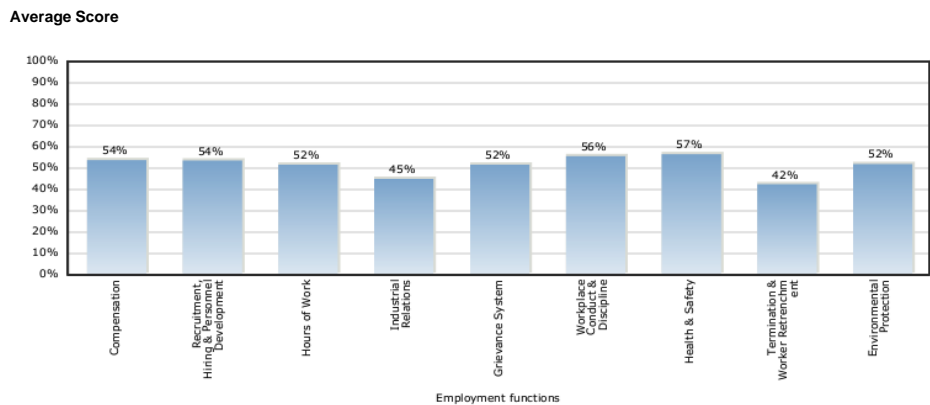
Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Uncorroborated Risk of Noncompliance: indicates a serious issue that has surfaced during the assessment, but one which the assessors were not able to corroborate through additional sources of information (e.g., allegation of retaliation against a worker by the factory management for participating in the assessment).

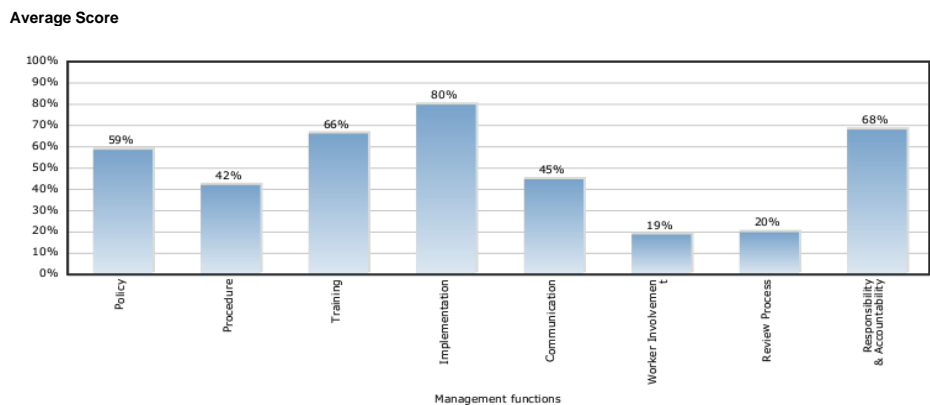
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an FLA assessment. A score of 100 percent indicates flawless operation of an management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection	Aggregate Score
Policy	4.71%	0%	25%	66.75%	100%	90%	0%	66.67%	83.33%	48.5%
Procedure	78.66%	33.33%	0%	18.75%	90%	75%	12.88%	25.77%	68.89%	44.81%
Responsibility & Accountability	52.43%	53.4%	66.71%	25%	46.6%	53.4%	53.4%	61.17%	25%	48.57%
Review Process	25%	25%	25%	25%	22.73%	30%	35%	25%	34.62%	27.48%
Training	65.71%	56.06%	44.44%	61.11%	64.03%	74.72%	44.44%	68.29%	62.15%	60.11%
Implementation	81.67%	74.42%	82.54%	85.71%	72.22%	91.67%	67.65%	85.32%	65.68%	78.54%
Communication	0%	65%	39.29%	0%	66.67%	62.5%	0%	41.67%	0%	30.57%
Worker Involvement	0%	N/A	N/A	0%	0%	N/A	N/A	62.5%	0%	12.5%
Aggregate Score	38.52%	43.89%	40.43%	35.29%	57.78%	68.18%	30.48%	54.55%	42.46%	

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element
Compensation
Employment Relationship
Hours of Work
Health, Safety and Environment
Non-Discrimination

Findings and Action Plans

FINDING NO.1

RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. No job descriptions are available on site.
2. Some job positions are filled based on gender. For example, when there are vacancies in the cutting department, management will seek out only males to fill those positions.

Local Law or Code Requirement

FLA Workplace Code (Non-Discrimination Benchmark ND.2.1, Employment Relationship Benchmark ER.3.2)

Root Causes

1. Factory management does not see the need for or the benefits of using job descriptions during the recruitment/hiring and/or performance review process.
2. Cultural acceptability in El Salvador regarding designating certain positions gender specific, e.g., hiring only men as forklift operators, only women as sewers, etc.
3. Lack of worker awareness regarding their right to apply for any job positions available in the factory, regardless of their gender.
4. No management communication or training efforts to inform workers about open job positions, regardless of their gender.
5. Lack of specific and in-depth training on non-discrimination for personnel in charge of recruitment and hiring.

COMPANY ACTION PLANS

1. Factory's remediation actions: 1. The factory will review its procedures on recruitment and hiring and ensure that they are: a) not based on gender and b) in line with FLA benchmarks. (November 27, 2013) 2. The factory will work on its job descriptions per department, including skills, abilities, experience, education, and other hiring requirements. (November 27, 2013) 3. HR will implement monitoring its policies and procedures so that they are reviewed annually and when required. (November 27, 2013) 4. The factory trains workers and supervisors through the induction procedure and on an annual basis. This training also includes internal policies and procedures; clients' codes of conduct; grievance procedures; suggestion boxes; anti-discrimination policy; etc. The existing anti-discrimination policy was reviewed according to FLA requirements and modified accordingly. It was included in the trainings; the trainings for both workers and supervisors were done in July 2013. 5. Management ensures ongoing training on anti-discrimination standards. Trainings on policies and procedures are done when workers first enter the factory and on an annual basis. These trainings also include internal policies and procedures; client's codes of conduct; grievance procedures; open door policy; suggestion boxes; anti-discrimination; etc. Training will also include managerial staff responsible for developing and implementing policies and procedures. Trainings for both workers and supervisors were done in July 2013.

Action plan status: Completed

Planned completion date: 01/01/14

Progress update: 02/07/14 : Descriptions have been written and training of associates on new policies and procedures have been completed.

12/20/13 : 0

Completion date: 01/01/14

FINDING NO.2

RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory has neither created nor implemented policy related to hiring, recruitment, and personnel development that includes: a) proper recruitment and hiring guidance, b) the requirement of periodic performance reviews, and c) how these reviews are linked to promotion opportunities. In addition, workers reported the need to have a formal and detailed personnel development program that includes: a) performance evaluations, b) feedback on quality of work, and c) linkage between performance review and promotion opportunities.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.1.1, ER.28.1, ER.29.1, and ER.30.1)

Root Causes

1. Management does not recognize the need for a formal hiring, recruitment, and personnel development policy.
2. Lack of awareness of FLA Employment Relationship and Personnel Development Benchmarks.
3. For most workers on the production floor, promotion and personnel development opportunities are either very limited or not available at all.
4. Local labor law does not mandate these policies and procedures; therefore, management does not feel it needs them.

COMPANY ACTION PLANS

1. 1. The factory has developed policies and procedures on hiring, recruitment and development. The factory will gather its production supervisors and the Communications Committee in October 2013 to set the factors to use to promote workers; then, policy and procedure would be developed. (November 27, 2013) 2. After policy and procedure are created on promotion opportunities, they will be included in training: a) for all new workers and b) on an annual basis for all workers and supervisors, encouraging employees to use the grievance mechanisms to express their views, concerns, and opinions about any situation connected to the factory. (November 27, 2013) 3. Training for supervisors and workers would be held in July 2013. Training on development procedures would be held February 25, 2013. 4. The factory will develop periodic evaluations and reviews on personnel development that include the number of promotions per month; worker satisfaction in regards to said policies and procedures; percentage of salary increases; etc. (February 25, 2013)

Action plan status: Completed

Planned completion date: 11/27/13

Progress update: 05/13/14 : All remediations have been updated and completed.

12/20/13 : Completed Nov 27, 2013. Have not verified internally.

Completion date: 11/27/13

FINDING NO.3

COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Production bonus payments are reported on a separate payroll; consequently, they are not calculated as part of the earned salary when social security and pension fund contributions (ISSS and AFPs) are deducted and paid.

Local Law or Code Requirement

Social Security Regulations, Article 3; Pension Savings System Law, Article 14; FLA Workplace Code (Compensation Benchmark C.16.1)

Root Causes

1. Factory maintains a separate payroll record, called the "production bonuses payroll," in order to avoid paying the social security and pension fund contributions corresponding to the earned-production bonuses.
2. There is a Ministry of Labor Department inspection resolution available on site that enables management to continue to separate incentive bonuses from the main payroll; however, there are inconsistencies between the labor inspection conclusions and the actual workplace conditions, leading to the misinterpretation of the applicable laws. Most production employees earn production bonuses on an ongoing basis; this situation was not taken into account in the labor inspection resolution.
3. Lack of effective governmental oversight to ensure that apparel sector factories comply with the applicable labor laws.

Recommendations for Immediate Action

1. Factory management is to report payment of production bonuses on the main payroll in order to ensure that all legal withholdings are incorporated in accordance with local laws and regulations.

COMPANY ACTION PLANS

1. M.J. Soffe and FLA representatives, in collaboration with factory management, are to seek an official interpretation from the Ministry of Labor on whether or not production bonuses (when earned regularly) should be separated from the main payroll.

Action plan status: In Progress

Planned completion date: 08/15/14

Progress update: 05/13/14 : .In discussion with Franklin, he is going to schedule an appointment with the ministry of Labor to seek an official ruling on this issue, with representatives of the FLA, ChiFung, and M.J. Soffe LLC, during the next scheduled visit to El Salvador by Soffe Representatives.

12/20/13 : 0

FINDING NO.4

COMPENSATION

FINDING TYPE: Uncorroborated Risk of Non Compliance

Finding Explanation

1. Based on workers' perceptions, their salary is not enough to cover all of their basic needs and provide a discretionary income.

Local Law or Code Requirement

FLA Workplace Code (Compensation Benchmark C.1.3)

Root Causes

1. Currently, the Salvadoran apparel industry does not provide wages that allow for the fulfillment of workers' basic needs plus a discretionary income.
2. Management's lack of awareness of FLA Workplace Code and Benchmarks.
3. The issue has not been brought to the attention of the factory management during previous audits.
4. There is no wage structure in the factory that would enable workers to progressively earn a wage level that would meet their basic needs.

COMPANY ACTION PLANS

1. Management will await guidance regarding how and when to take the FLA fair wage self-assessment. (November 27, 2013)
2. Management will await guidance regarding how and when to take the FLA fair wage self-assessment. (Continuous process)

Action plan status: In Progress

Planned completion date: 11/27/13

Progress update: 05/13/14 : .

12/20/13 : 0

FINDING NO.5

HOURS OF WORK

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. From a sample of hours of work records, it was corroborated that, during the week of August 13-17, 2012, 4 employees from the production lines (sewing department) worked more than 60 hours a week.
2. Factory does not have written policy and procedures on hours of work.

Local Law or Code Requirement

FLA Workplace Code (Hours of Work Benchmark HOW.1.3)

Root Causes

1. Management has low awareness of and knowledge on policy/procedure creation.
2. Production and capacity planning is deficient; it does not include safeguards to prevent employees from working more than 60 hours a week.

COMPANY ACTION PLANS

1. The factory's hours of work policy is in place and was reviewed against FLA requirements in July 2013.
2. Supervisor and worker training was done in July 2013. This training also included internal policies and procedures; clients' codes of conduct; grievance procedures; suggestion boxes; etc.
3. The factory will review its actual monitoring procedure to ensure working hours are within legal/code limits and make changes accordingly. (November 27, 2013).
4. The factory, along with M.J. Soffe LLC, will comply with FLA's principles of fair labor and responsible sourcing requirements to ensure that no worker exceeds 60 hours per week. (December 27, 2013)
5. The factory is to work with production and planning departments and clients' production requirements to ensure that hours of work limits are not exceeded. (December 27, 2013)

Action plan status: Completed
Planned completion date: 12/27/13
Progress update: 05/13/14 : Development of new procedures and training has been completed.
12/20/13 : 0
Completion date: 12/27/13

FINDING NO.6

INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory has neither created nor implemented an industrial relations policy and the relevant procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.1)

Root Causes

1. Management lacks awareness of FLA industrial relations compliance benchmarks.
2. Management has not seen the need to have formalized industrial relations policy and procedures.
3. Since industrial relations is a new FLA standard, the affiliated company has not yet aligned its policy and procedures.
4. Management has not been previously required by buyers or government to develop policy and procedure on Industrial Relations.

COMPANY ACTION PLANS

1. 1. Factory created its industrial relations policy in compliance with the new FLA compliance benchmarks as required in July 2013. The procedures used in this policy include Communications Committee, suggestion box, and open doors that enable workers to consult with and provide input to management through appropriate structures. 2. The procedures that enable workers to consult with and provide input to management are in place through the Communications Committee, suggestion box, and the open door policy; however, they are not related to procedures regarding industrial relations. The factory is working to include them and to present its written industrial relations procedures. (November 26, 2013) 3. The administrative manager and HR are responsible for the implementation of the policy/procedure on industrial relations. (August 2013) 4. Policies and procedures on industrial relations trainings for workers and supervisors were done in July 2013. They are included in trainings for new workers and on a yearly basis. (November 26, 2013)

Action plan status: Completed
Planned completion date: 12/20/13
Progress update: 05/13/14 : .Completed. All Associates have been trained on new procedure/policy. Please see attached upload.
12/20/13 : 0
Completion date: 03/15/14

FINDING NO.7

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory's grievance system includes a Communications and Dialogue Committee and suggestion boxes. In practice, these grievance channels do not include special provisions for ensuring the confidentiality of the workers using them.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.25.2 and ER.25.3.2)

Root Causes

1. Lack of management understanding of how a grievance system functions and how it is implemented.
2. Management lacks awareness of FLA grievance system confidentiality requirement.
3. This issue has not been brought to the attention of factory management during previous audits.

COMPANY ACTION PLANS

1. The factory will review its grievance system (suggestion boxes, open door policies, etc.) to ensure that it includes all elements required by FLA benchmarks, helping the system to be confidential and so workers can file complaints without fear of retaliation or dismissal. (November 27, 2013)
2. Factory will train workers, supervisors, and managerial staff on updated grievance systems. (February 15, 2014)
3. The factory is to: a) develop a monitoring system regarding grievances made with the suggestion box and the Clear Voice Hot Line and b) review if the system was implemented as intended, using metrics that include the nature of the grievances, types, reasons, frequency, etc. (February 15, 2014)

Action plan status: Completed

Planned completion date: 02/15/14

Progress update: 05/13/14 : .Completed. See attached upload

12/20/13 : 0

Completion date: 03/21/14

FINDING NO.8

ENVIRONMENTAL PROTECTION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory's environmental protection policy does not include a commitment to minimize environmental impacts with respect to conservation and energy use.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.31.3)

Root Causes

1. The revised FLA Workplace Code and Benchmarks now include environmental protection requirements, which are new for companies and their supplier base, which includes the assessed factory.

COMPANY ACTION PLANS

1. The current policy has been reviewed by the factory and includes a commitment to minimize environmental impacts with respect to conservation and energy use. In practice, the factory has implemented a light system with a low environmental footprint that is promoted by a local bank. It includes a mist fan system throughout the factory to lower the temperature and minimal use of energy. (July 2013)
2. This policy was included in training that was held in July 2013 for supervisors, workers, and managers. This training also included internal policies and procedures; clients' codes of conduct; grievance procedures; Clear Voice Hot Line; suggestion boxes, etc.
3. The administrative manager is the person assigned by the factory to be responsible for implementing the environmental protection policy. (December 2013)

Action plan status: Completed

Planned completion date: 12/31/13

Progress update: 05/13/14 : This remediation plan has been completed.

FINDING NO.9**HEALTH AND SAFETY****FINDING TYPE:** Immediate Action Required**Finding Explanation**

1. Some employees who work standing in the Packing and Quality Control department do not have ergonomic mats.

Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.17.1 and HSE.7)

Root Causes

1. Poor management and worker awareness on the possible benefits of ergonomic improvements, such as: a) increased productivity and attendance levels, b) reduction of risk of worker accidents, and c) reduction of risk of potential Musculoskeletal Disorders (MSDs).
2. Health and Safety Department does not include ergonomics as part of their risk assessments.
3. There is no effective plan to ensure that all appropriate personal protective equipment (PPE) is provided and used by employees.

Recommendations for Immediate Action

1. Provide all employees who work standing with floor mats and train them on their proper usage.

COMPANY ACTION PLANS

1. The factory will review its plan for providing and using proper personal protective equipment (PPE) in all workstations. The factory keeps PPE available for new employees and replaces equipment deteriorated by use or time. (October 28, 2013) Factory will enforce its requirement on the use of PPE and on the importance of its use.
2. The factory will consider a health and safety risk analysis that includes ergonomic risks, using their in-house resources, management, HSE worker representatives, and maintenance department by May 25, 2014.
3. After completion of a risk analysis study, the HSE Committee will review the results and will create recommendations to minimize the impact in the workplace. (August 26, 2014)

Action plan status: Completed

Planned completion date: 08/26/14

Progress update: 05/13/14 : Factory has PPE for all associates that require it. They are still debating the analysis! All associates have new mats.

12/20/13 : 0

Completion date: 05/10/14

FINDING NO.10**TRAINING****FINDING TYPE:** Sustainable Improvement Required**Finding Explanation**

1. Based on an in-depth review of the factory's training practices, in almost all Employment Functions, training activities are not being adequately carried out. There are some focused training exercises targeting some specific groups of workers; however, administrative staff, supervisors, and managerial staff (HR and production) do not receive follow-up training. In

addition, topics related to the SCI Employment Functions, e.g., hiring, compensation, hours of work, etc., have not been included on the list of the factory's training needs.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.28.1, and ER.28.2)

Root Causes

1. Lack of comprehensive training programs to address all training needs.
2. Lack of awareness on the benefits of effective training.
3. Factory has not seen the need to expand the list of topics already covered by training.
4. Absence of a system to harmonize production needs with training needs.

COMPANY ACTION PLANS

1. General trainings by the factory have been given to all workers and administrative staff, supervisors, and managerial staff on policies and procedures. This is a comprehensive training program on hiring, compensation, hours of work, grievance system, labor relations, clients' codes of conduct, grievance procedures, suggestion boxes etc. (Done in July 2013)
2. Training on an annual basis (since 2012) and in the induction training has been mandatory and is also for supervisors and those in managerial positions. Training done in July 2013.
3. The administrative manager and HR is responsible for taking charge of the training program development, implementation, and assistance. (December 2012)

Action plan status: Completed

Planned completion date: 12/31/13

Progress update: 05/13/14 : Training has been completed.

12/23/13 : 0

Completion date: 12/31/13

FINDING NO.11

COMMUNICATION & WORKER INVOLVEMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The worker integration component is missing throughout all Employment Functions. This implies that the factory has not established procedures to receive workers' input/feedback on the creation and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in the decision-making process regarding policy and procedure creation.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25.2)

Root Causes

1. Lack of management understanding of what integration implies and how to implement this management function.
2. Management lacks awareness of FLA Workplace Code and Benchmarks.
3. Management has not seen the need to formalize a worker integration process.

COMPANY ACTION PLANS

1. Management will establish a procedure that enables workers to consult with and provide input to management. (December 27 2013)
2. Management is to train all workers, supervisors, and those in managerial positions on the newly created worker integration procedures. (December 27, 2013)
3. The factory has assigned the administrative manager as the responsible person for taking charge of the worker integration procedure implementation. (December 27, 2013)

Action plan status: Completed

Planned completion date: 12/31/13

Progress update: 05/13/14 : Training has been completed.

12/20/13 : 0

Completion date: 12/31/13

FINDING NO.12

REVIEW PROCESS

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Factory does not conduct periodic reviews of its policies and procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.30.2, and ER.31.2)

Root Causes

1. Due to the Administrative Manager's workload, review and updating of policies and procedures have not been conducted for several years.
2. Management has not seen the need to update its policies and procedures, except for legal changes.
3. Absence of staff with the specific responsibility of reviewing and updating policies and procedures.
4. This issue has not been brought to the attention of factory management during external audits.
5. Management lacks awareness of FLA Workplace Code and Benchmarks.

COMPANY ACTION PLANS

1. 1. Factory is to establish a periodic policy and procedure review process to ensure that policies and procedures are: a) being updated according to the factory's needs and b) based on whether or not policies and procedures are functioning properly and include worker participation in the process. (December 27, 2013) 2. The administrative manager is responsible for taking charge of the periodic review process and implementation. (December 27, 2013) 3. All of the factory's written policies and procedures will include a review/update requirement, which defines a specific time period for when it is to become necessary to change these policies and procedures. (December 27, 2013)

Action plan status: Completed

Planned completion date: 12/31/13

Progress update: 05/13/14 : Meetings were completed by year end. Supporting documents are available.

12/20/13 : 0

Completion date: 12/27/13